

### *Grain Prices*

number of years ago. We should have an international agreement under which consuming and producing countries sit down together to hammer out an agreement that is fair to both the producer and the consumer.

We do not have an agreement in respect of oil. What we have is a cartel. The OPEC nations have formed a cartel. The producers get together and fix a price. I am not talking about a cartel, I am talking about commodity agreements, as a result of the producers and consumers sitting down negotiating a price that is fair to all, based on the cost of production.

**Mr. Whelan:** You are reading one of Whelan's old speeches.

**Mr. Nystrom:** The minister suggests I am reading one of his old speeches.

**Mr. Knowles:** There are lots of them around.

**Mr. Nystrom:** I hope I am not that boring to the House.

**Mr. Whelan:** You are doing right well.

**Mr. Nystrom:** I remember going to Africa four years ago to a United Nations conference on trade and development, the whole purpose of which was to try to hammer out international commodity agreements, whether they be in respect of bananas, tin, cotton, food products or what have you. If we had international commodity agreements we might lose a bit on some commodities, yet on some we would gain a bit, but this would be fair to all; it would be fair to the entire world. I know the member for Wetaskiwin agrees with me in that regard.

I put a question today to the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) about the price of sugar which has gone up by 200 per cent to 300 per cent in a few months. That price has not gone up as a result of a drastic shortage of sugar, but because of problems of supply, supply being curtailed a bit, yet not to the point there was a shortage. As a result speculators moved in. This is a commodity on the open market with no planning, no agreement, nothing at all. Speculators moved in to the futures market and drove the price of sugar sky high. It is the ordinary consumer who suffers, and I maintain the same thing is true with other commodities as well.

In the absence of international commodity agreements we should be looking at two-price systems for a number of commodities, so at least the domestic Canadian price would be based on a cost of production formula. A few minutes ago we were discussing two-price wheat. One of the things I wanted to say then was that I think the Canadian price for wheat we consume in the bread we eat, which represents a tiny minority of the wheat we produce, should be based on the cost of production. In this way the farmer would get back what he puts into the production, plus a decent salary for his family to survive on.

The third point I want to mention is one that has been referred to by the hon. member for Wetaskiwin, the whole matter of input costs. I do not have to repeat much of what he has said because he has given us figures showing that the farm

price index has gone up much more rapidly than the consumer price index. The amount a farmer is paying for farm machinery, for fuel, for fertilizers and for everything to produce a bushel of wheat, has really skyrocketed, while the price of the bushel of wheat or, for that matter, the price of a hog, livestock or other commodity, in many cases, has not really gone up at all, or very little in the last few years. As a result we in this country, the consumers, have received the benefit recently of fairly cheap food. I know that is a difficult thing to say because food prices went up 12 per cent this year, but we must keep this in perspective.

Food prices in other parts of the world are much higher than in Canada, with the exception of the United States. We and the people in the United States are very fortunate that we have, in comparison to our incomes, the lowest food prices in the world. All one has to do is go to Europe, Japan, or any country in the Third World, comparing the incomes with what the people are paying for food, to find that the proportion spent on food is much greater than is the case in Canada and the United States.

I am not saying we should experience a tremendous increase in the price of food. All I am saying is that if, by giving the farmer a fair deal, making sure he gets back his cost of production, this means a minor increase in the price of food, then that is a worth-while investment for each and every one of us.

The fourth point I want to make is that where the increase in the price of food is causing hardships, and where it is causing malnutrition—malnutrition does exist among Canadians in some parts of this country today, and I can give you many statistics about calcium deficiency, protein deficiency and deficiencies in many other basic vitamins and minerals—we as a public have an obligation to bring in a nutrition program under which we subsidize some basic foods such as milk and bread.

I want to remind the House again that recently we had subsidies on milk and bread, but the Minister of Agriculture and other ministers decided in their wisdom to remove those subsidies. I do not think that was very wise. Perhaps the minister will tell us today why he has removed the subsidies on basic foods like bread and milk. I should like to hear him quote from some of his speeches on this topic because I do not think he is very proud of what the government has done. We could have a school milk program which would take care of some of the basic nutritional needs of the children of this country.

● (1630)

When we speak of a cost of production formula and a basic floor price, Mr. Speaker, we are only stating something that is a fact for many other people in our society. Many pension plans are now indexed to the cost of living—our salaries as parliamentarians are indexed to the cost of living, and most trade unions have a COLA clause in their contracts to increase salaries according to the cost of living. I think the same thing should be done for farmers. Their income ought to be increased according to their cost of living, which is the cost of